



# Community Health Center Association of Connecticut

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Testimony of

Community Health Center Association of Connecticut

Presented by

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Human Services Committee

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Thank you for this opportunity to comment today on three bills before you:

- SB 1023, *An Act Concerning Revenue Retention By Nonprofit Health And Human Services Providers* – CHCACT Supports;
- SB 1026, *An Act Concerning An Adequate Provider Network To Ensure Positive Health Outcomes For Low Income Residents* – CHCACT Supports;
- HB 6545, *An Act Concerning Drug Prior Authorization For Medicaid Recipients* – CHCACT Supports.

The Community Health Center Association of Connecticut (CHCACT) is a nonprofit organization that exists to advance the common interests of Connecticut's federally qualified health centers (FQHCs) in providing quality health care. Through training, technical assistance, public policy work and other initiatives, CHCACT supports the 14 FQHCs in their provision of comprehensive health care to over 329,000 residents across the state every year.

A profile of FQHC patients in Connecticut (2012):

- 94% low income (under 200% of federal poverty level)
- 58% Medicaid
- 23% uninsured
- 16,000 homeless
- 73% racial/ethnic minorities

## **SB 1023, *An Act Concerning Revenue Retention By Nonprofit Health And Human Services Providers* – CHCACT Supports**

CHCACT supports this proposal, which would benefit both the state and nonprofit providers. The bill would reward providers that are able to meet contract obligations/deliverables efficiently, by allowing those contractors to retain extra funds at the end of the contract year.

Currently, if nonprofit providers have unspent funds at the end of a grant cycle, they must return those funds back to the appropriate state agency. This structure provides no incentive for

efficiencies and further contributes to an existing system of underpaying nonprofits. As the Committee knows, nonprofits already struggle with fiscal challenges, a lack of access to capital funds and an overreliance on government contracts, which, in the current environment, can be expected to be reduced partway through the year.

If, instead, nonprofits were allowed to retain extra funds – while still meeting their obligations – they would be able to invest those funds in staff training, capital improvements and other necessities. As the funding is *already budgeted*, the proposal is a creative way to assist nonprofits, without putting additional strain on the state budget. CHCACT asks for your support.

**SB 1026, *An Act Concerning An Adequate Provider Network To Ensure Positive Health Outcomes For Low Income Residents* – CHCACT Supports**

CHCACT asks the Committee for its support of this bill, which would establish a commission of various stakeholders charged with ensuring a robust provider network for Medicaid.

As this Committee knows, over 600,000 Connecticut residents are currently enrolled in Medicaid. With the expansion opportunities available under the Affordable Care Act, particularly for low-income childless adults, Medicaid enrollment is projected to grow to 700,000 residents by FY 2015<sup>1</sup>.

But having health care *coverage* does not always translate to having *access* to health care. Our state's Medicaid program has had a difficult time attracting providers to the program, due to multiple obstacles, including low payment rates, high administrative burdens and high no-show rates among Medicaid enrollees.

Notably, FQHCs take all patients regardless of ability to pay. Indeed, about one-third of Medicaid enrollees seek care at Connecticut health centers each year<sup>2</sup>. However, significant challenges have existed around recruiting private physicians, including specialists, to whom health centers must refer many patients for follow-up. A full commitment to improving health care outcomes will require a provider network that is statewide, culturally competent, and multidisciplinary.

Although the state already has a Council on Medical Assistance Program Oversight, that Council already has many responsibilities. A new, time-limited, task-specific commission would be most appropriate for achieving recommendations for enhancements to the provider network.

**HB 6545, *An Act Concerning Drug Prior Authorization For Medicaid Recipients* – CHCACT Supports**

CHCACT asks this Committee to support this proposal, which will assist Medicaid enrollees with obtaining needed prescription drugs that are not on the Medicaid “preferred drug list.” As you know, like other insurance plans, CT’s Medicaid program has an ever-changing list of drugs that are approved for dispensing. Providers who prescribe drugs that are not on the list must seek prior authorization from the Medicaid program in order for Medicaid to pay for the drug.

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<sup>1</sup> Governor Malloy’s Proposed Budget

<sup>2</sup> National Association of Community Health Centers [Connecticut Fact Sheet, 2012](#)

Currently, if authorization is not obtained prior to Medicaid enrollees going to a pharmacy, they can receive a supply of up to 14 days while prior authorization is sought. Unfortunately, when individuals run out of their 14 day supply, they often do not return to the pharmacy to get the additional medication.

Legislation passed last Spring requires the dispensing pharmacist to provide a flyer to the enrollee, explaining that the drug is not on the preferred list, and that the enrollee should contact the doctor and ask him/her to seek authorization. However, this new system has proven challenging, as there are too many places for the process to fail – at the pharmacy, with the enrollee, and/or with the physicians' offices.

This proposal moves the onus to the Department of Social Services – to contact both the enrollee and the prescriber and seek a remedy on the prescriber's end, whether that remedy is the prescribing of an alternate drug or seeking prior authorization through the established process. Working together, the provider and DSS should be able to find an appropriate medication for the Medicaid enrollee. Importantly, sometimes that appropriate medication will be the originally prescribed medication.

Thank you in advance for your support, for the opportunity to comment and for your service to the state.